

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**  
**Revision 2**

**April 28, 2015**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3630** by Turner, Chris (Relating to the application of the hotel occupancy tax and the collection and administration of the tax by a municipality.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 156 of the Tax Code, regarding the state hotel occupancy tax, to define "short term rentals" as the rental of all or part of a residential property to a person who is not a permanent resident under Section 156.101. The change to the state hotel occupancy tax provisions would be a clarification of existing law and therefore would have no impact on state revenues.

**Local Government Impact**

The bill would amend Chapter 351 of the Tax Code, regarding municipal hotel occupancy taxes, to allow a municipality to spend no more than 2 percent of hotel occupancy tax revenue for the creation, maintenance, operation, and administration of an electronic tax administration system. A municipality could contract with a third party to assist with an electronic tax administration system.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD, AG